

Existing law authorizes a state income and corporation franchise tax credit for taxpayers who claim a federal income tax credit for increasing research activities.

New law changes existing law by extending eligibility for the tax credit to taxpayers who employ up to 50 La. residents and incur for the taxable year qualified research expenses as defined in federal law.

New law changes existing law by making the tax credit refundable.

New law changes existing law to provide that the amount of the tax credit shall be equal to either:

- (1) 8% of the state's apportioned share of the taxpayer's expenditures for increasing research activities if the taxpayer is an entity that employs 100 or more La. residents.
- (2) 20% of the state's apportioned share of the taxpayer's expenditures for increasing research activities if the taxpayer is an entity that employs 50-99 La. residents.
- (3) 25% of the state's apportioned share of the federal research credit claimed for research expenditures in the state if the taxpayer claims the alternative incremental tax credit under federal law.
- (4) 40% of the state's apportioned share of the taxpayer's qualified research expenses conducted in this state if the taxpayer is an entity that employs fewer than 50 La. residents.

Prior law provided that a taxpayer who receives a federal Small Business Innovation Research Grant be allowed a tax credit equal to 20% of the award received during the taxable year.

New law retains prior law but increases the amount of the tax credit from 20% to 40% and clarifies that the tax credit is refundable.

Prior law provided that no credit shall be allowed for research expenditures incurred or Small Business Innovation Research Grant funds received after Dec. 31, 2009.

New law extends the deadline for issuance of the tax credit from Dec. 31, 2009, to Dec. 31, 2013. New law also removes the Dec. 31, 2006, termination date for the tax credit.

Effective upon signature of governor (July 9, 2009).

(Amends R.S. 47:6015)